

Prepared by: City of Sturgis
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Sturgis SD 57785
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RESOLUTION 2014-46
RESOLUTION AUTHORIZING THE PURCHASE OF THE NORTHWEST
CORNER OF MAIN AND SECOND STREET “SECOND STREET PLAZA”

WHEREAS the City of Sturgis authorized a Downtown Steering Committee to develop strategies to enhance the quality of life within Sturgis by delineating strategies to improve the Sturgis Downtown Core; and

WHEREAS numerous items developed by that Committee have been completed including but not limited to the creation of the Downtown business Improvement District, the establishment of a Downtown Zoning overlay and the establishment of a Downtown Façade Improvement Program; and

WHEREAS one of the strategies developed included the construction of a Plaza in the heart of the Downtown where residents could gather year round for community celebrations which would also serve as a destination location for tourists throughout the year; and

WHEREAS the development of this plaza has been identified to be most ideally located at the northwestern corner of Main Street and Second Street; and

WHEREAS the City has attempted to proceed with the lease of the Plaza during non-Rally months in order to reduce the upfront costs associated with land purchase; and

WHEREAS the City has been unable to complete a long-term lease of the site because of federal regulations which limit the ability of banks to enter into long term leases for property; and

WHEREAS the ten year lease history of the parcel demonstrates the ability of the lease revenue to exceed the costs to finance the purchase of the plaza; and

WHEREAS the City has dedicated the revenue from Rally leases along Second Street to fund the development costs of the plaza.

NOW THEREFORE BE IT RESOLVED that this Resolution authorizes the City Manager to sign all necessary documents to purchase the northwest

corner of Main and Second Street from First Interstate Bank for a price not to exceed \$870,000 and to sign all necessary documents to enter into a loan with First Interstate Bank to finance the said purchase and plaza improvements with a loan amount not to exceed \$1,200,000 amortized over 20 years at an annual interest rate of 3.75%.

Dated this 31st day of July, 2014.

CITY OF STURGIS

Mayor Mark Carstensen

ATTEST:

Fay Bueno
City Finance Officer

Published: 08-13-2014
Effective: 09-03-2014